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# HOUSE BILL No. 1319

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-20; IC 20-5-4-7; IC 21-2-14-6; IC 21-5-9-2.

**Synopsis:** Referenda for school corporation projects. Requires a local public question, instead of the petition and remonstrance process required under current law, to approve a school corporation's preliminary determination to issue bonds or enter into a lease rental for a controlled project resulting in outstanding obligations exceeding 10% of the school corporation's assessed valuation. Requires a referendum before bonds may be issued or leases may be entered into for the controlled project.

**Effective:** July 1, 2005.

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January 13, 2005, read first time and referred to Committee on Education.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1319

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-18.5-8 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The ad valorem  
3 property tax levy limits imposed by section 3 of this chapter do not  
4 apply to ad valorem property taxes imposed by a civil taxing unit if the  
5 civil taxing unit is committed to levy the taxes to pay or fund either:

6 (1) bonded indebtedness; or

7 (2) lease rentals under a lease with an original term of at least five

8 (5) years.

9 (b) A civil taxing unit must file a petition requesting approval from  
10 the department of local government finance to incur bonded  
11 indebtedness or execute a lease with an original term of at least five (5)  
12 years not later than twenty-four (24) months after the first date of  
13 publication of notice of a preliminary determination under  
14 ~~IC 6-1.1-20-3.1(2)~~, IC 6-1.1-20-3.1(b)(2), unless the civil taxing unit  
15 demonstrates that a longer period is reasonable in light of the civil  
16 taxing unit's facts and circumstances. A civil taxing unit must obtain  
17 approval from the department of local government finance before the

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1 civil taxing unit may:

- 2 (1) incur the bonded indebtedness; or  
 3 (2) enter into the lease.

4 The department of local government finance may seek  
 5 recommendations from the local government tax control board  
 6 established by section 11 of this chapter when determining whether to  
 7 authorize incurring the bonded indebtedness or the execution of the  
 8 lease.

9 (c) The department of local government finance shall render a  
 10 decision within three (3) months after the date it receives a request for  
 11 approval under subsection (b). However, the department of local  
 12 government finance may extend this three (3) month period by an  
 13 additional three (3) months if, at least ten (10) days before the end of  
 14 the original three (3) month period, the department sends notice of the  
 15 extension to the executive officer of the civil taxing unit. A civil taxing  
 16 unit may petition for judicial review of the final determination of the  
 17 department of local government finance under this section. The petition  
 18 must be filed in the tax court not more than forty-five (45) days after  
 19 the department enters its order under this section.

20 (d) A civil taxing unit does not need approval under subsection (b)  
 21 to obtain temporary loans made in anticipation of and to be paid from  
 22 current revenues of the civil taxing unit actually levied and in the  
 23 course of collection for the fiscal year in which the loans are made.

24 (e) For purposes of computing the ad valorem property tax levy  
 25 limits imposed on a civil taxing unit by section 3 of this chapter, the  
 26 civil taxing unit's ad valorem property tax levy for a calendar year does  
 27 not include that part of its levy that is committed to fund or pay bond  
 28 indebtedness or lease rentals with an original term of five (5) years in  
 29 subsection (a).

30 (f) A taxpayer may petition for judicial review of the final  
 31 determination of the department of local government finance under this  
 32 section. The petition must be filed in the tax court not more than thirty  
 33 (30) days after the department enters its order under this section.

34 SECTION 2. IC 6-1.1-19-8 IS AMENDED TO READ AS  
 35 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) A school  
 36 corporation must file a petition requesting approval from the  
 37 department of local government finance to incur bond indebtedness,  
 38 enter into a lease rental agreement, or repay from the debt service fund  
 39 loans made for the purchase of school buses under IC 20-9.1-6-5 not  
 40 later than twenty-four (24) months after the first date of publication of  
 41 notice of a preliminary determination under ~~IC 6-1.1-20-3.1(2)~~,  
 42 **IC 6-1.1-20-3.1(b)(2)**, unless the school corporation demonstrates that

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a longer period is reasonable in light of the school corporation's facts and circumstances. A school corporation must obtain approval from the department of local government finance before the school corporation may:

- (1) incur the indebtedness;
- (2) enter into the lease agreement; or
- (3) repay the school bus purchase loan.

This restriction does not apply to ad valorem property taxes which a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974.

(b) The department of local government finance may either approve, disapprove, or modify then approve a school corporation's proposed lease rental agreement, bond issue or school bus purchase loan. Before it approves or disapproves a proposed lease rental agreement, bond issue or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board.

(c) The department of local government finance shall render a decision not more than three (3) months after the date it receives a request for approval under subsection (a). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the school corporation. A school corporation may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) After December 31, 1995, the department of local government finance may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first:

- (1) establishes that additional classroom space is necessary; and
- (2) conducts a feasibility study, holds public hearings, and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in IC 20-10.1-2-2)) rather than expanding classroom space.

(e) This section does not apply to school bus purchase loans made by a school corporation which will be repaid solely from the general fund of the school corporation.

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty

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(30) days after the department enters its order under this section.

SECTION 3. IC 6-1.1-20-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.1. **(a) This section does not apply to a proposed controlled project subject to section 3.5 of this chapter.**

**(b)** A political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of a political subdivision shall:

(A) publish notice in accordance with IC 5-3-1; and

(B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;

of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in subdivision (1)(B).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that any owners of real property within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

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(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects to appeal as described in IC 6-1.1-19-4.4(a)(4) for an increased adjusted base levy to pay the estimated costs described in clause (F).

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) one hundred (100) owners of real property within the political subdivision; or

(B) five percent (5%) of the owners of real property within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county auditor, deliver to the county auditor or the county auditor's designated printer the petition forms to be used solely in the petition process described in this section. The county auditor shall issue to an owner or owners of real property within the political subdivision the number of petition forms requested by the owner or owners. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county auditor under subdivision (7).

(7) Each petition must be filed with the county auditor not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county auditor must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a

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township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within fifteen (15) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real property within the political subdivision.

(c) If a sufficient petition requesting a petition and remonstrance process is not filed by owners of real property as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

SECTION 4. IC 6-1.1-20-3.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.2. **(a) This section does not apply to a proposed controlled project subject to section 3.5 of this chapter.**

(b) If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in ~~section 3.1(1)(B)~~ **section 3.1(b)(1)(B)** of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

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may be filed by an owner or owners of real property within the political subdivision. Each signature on a petition must be dated and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county auditor under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county auditor, deliver to the county auditor or the county auditor's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county auditor shall issue to an owner or owners of real property within the political subdivision the number of petition or remonstrance forms requested by the owner or owners. Each form must be accompanied by instructions detailing the requirements that:

- (A) the carrier and signers must be owners of real property;
- (B) the carrier must be a signatory on at least one (1) petition;
- (C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature;
- (D) govern the closing date for the petition and remonstrance period; and
- (E) apply to the carrier under section 10 of this chapter.

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners. The county auditor may not issue a petition or remonstrance form earlier than twenty-nine (29) days after the notice is given under subdivision (1). The county auditor shall certify the date of issuance on each petition or remonstrance form that is distributed under this subdivision.

(4) The petitions and remonstrances must be verified in the manner prescribed by the state board of accounts and filed with the county auditor within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county auditor must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within fifteen (15) business days of the filing of a petition or remonstrance under

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subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county auditor may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision.

(6) If a greater number of owners of real property within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county auditor's certificate under subdivision (5). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(7) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the department of local government finance required by IC 6-1.1-18.5-8 or IC 6-1.1-19-8.

SECTION 5. IC 6-1.1-20-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 3.5. (a) This section applies only to a controlled project:**

**(1) that is proposed by a school corporation; and**

**(2) for which the sum of:**

**(A) the proposed obligations under the controlled project, as determined by the department of local government finance; plus**

**(B) any outstanding obligations, as determined by the department of local government finance;**

**exceeds ten percent (10%) of the total assessed value (as defined in IC 6-1.1-19-1.5(c)) of the school corporation.**

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(b) A school corporation may not impose property taxes to pay debt service or lease rentals for a controlled project described in subsection (a) without completing the following procedures:

(1) The proper officers of the school corporation shall:

(A) publish notice in accordance with IC 5-3-1; and

(B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;

of any meeting to consider adoption of a resolution making a preliminary determination to issue bonds or enter into a lease, and shall conduct a public hearing on the preliminary determination before adoption of the resolution.

(2) When the proper officers of a school corporation make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in subdivision (1)(B).

(3) A notice under subdivision (2) of the preliminary determination of the school corporation to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that the proposed debt service or lease payments must be approved in a local public question held under section 3.6 of this chapter.

(F) The amount of outstanding obligations of the school corporation.

SECTION 6. IC 6-1.1-20-3.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.6. (a) This section applies only to a controlled project:

(1) that is proposed by a school corporation; and

(2) for which the sum of:

(A) the proposed obligations under the controlled project, as determined by the department of local government finance; plus

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1 (B) any outstanding obligations, as determined by the  
 2 department of local government finance;  
 3 exceeds ten percent (10%) of the total assessed value (as defined in  
 4 IC 6-1.1-19-1.5(c)) of the school corporation.

5 (b) A school corporation may not impose property taxes to pay  
 6 debt service or lease rentals for a controlled project described in  
 7 subsection (a) unless the school corporation's proposed debt service  
 8 or lease rental is approved in a local public question held under  
 9 this section.

10 (c) The following question shall be submitted to the voters at the  
 11 election conducted under this section:

12 "Shall \_\_\_\_\_ (insert the name of the school corporation)  
 13 issue bonds or enter a lease to finance \_\_\_\_\_ (insert a  
 14 description of the controlled project)?".

15 (d) The county auditor shall certify the public question  
 16 described in subsection (c) under IC 3-10-9-3 to the county election  
 17 board of the county that contains the greatest percentage of  
 18 population of the school corporation. The public question shall be  
 19 placed on the ballot at the next primary or general election in  
 20 which all the voters of the school corporation are entitled to vote  
 21 after the question is certified. However, if the next primary or  
 22 general election is more than six (6) months after certification of  
 23 the question, the local public question shall be placed on the ballot  
 24 at a special election held on a date determined by the school  
 25 corporation not later than ninety (90) days after the question is  
 26 certified.

27 (e) The circuit court clerk shall certify the results of the public  
 28 question to the following:

29 (1) The county auditor of each county in which the school  
 30 corporation is located.

31 (2) The department of local government finance.

32 (f) If a majority of the voters voting on the public question vote  
 33 in favor of the public question, the department of local government  
 34 finance shall take prompt and appropriate steps to notify the  
 35 school corporation that the school corporation may issue the  
 36 proposed bonds or enter into the proposed lease rental.

37 (g) If a majority of the voters voting on the public question vote  
 38 in opposition to the public question, both of the following apply:

39 (1) The school corporation may not issue the proposed bonds  
 40 or enter into the proposed lease rental.

41 (2) Another public question under this section may not be  
 42 submitted to the voters sooner than one (1) year after the date

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of the election.

(h) IC 3, to the extent not inconsistent with this section, applies to an election held under this section.

(i) The school corporation shall pay the costs of the election if the public question is submitted to the voters at a special election.

SECTION 7. IC 6-1.1-20-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) When the proper officers of a political subdivision decide to issue bonds payable from property taxes to finance a public improvement, they shall adopt an ordinance or resolution which sets forth their determination to issue the bonds. Except as provided in subsection (b), the political subdivision may not advertise for or receive bids for the construction of the improvement until the expiration of the latter of: after:

(1) the expiration of the time period within which taxpayers may file a petition for review of or a remonstrance against the proposed issue, or in the case of a controlled project that is subject to section 3.1 of this chapter;

(2) the proposed issue is approved in a local public question held under section 3.6 of this chapter, in the case of a controlled project subject to section 3.5 of this chapter; or

(2) (3) the time period during which a petition for review of the proposed issue is pending before the department of local government finance.

(b) When a petition for review of a proposed issue is pending before the department of local government finance, the department may order the political subdivision to advertise for and receive bids for the construction of the public improvement. When the department of local government finance issues such an order, the political subdivision shall file a bid report with the department within five (5) days after the bids are received, and the department shall render a final decision on the proposed issue within fifteen (15) days after it receives the bid report. Notwithstanding the provisions of this subsection, a political subdivision may not enter into a contract for the construction of a public improvement while a petition for review of the bond issue which is to finance the improvement is pending before the department of local government finance.

SECTION 8. IC 20-5-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) The provisions of all general statutes and rules relating to:

(1) filing of petitions requesting the issuance of bonds and giving notice thereof, of the request to issue bonds;

(2) giving notice of determination to issue bonds;

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(3) giving notice of a hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appear and be heard on the proposed appropriation;

(4) the approval of the appropriation by the department of local government finance; ~~and~~

(5) the right of taxpayers to remonstrate against the issuance of bonds, **in the case of a proposed bond issue that is subject to IC 6-1.1-20-3.1; and**

**(6) the requirement of a local public question, in the case of a proposed bond issue that is subject to IC 6-1.1-20-3.5;**

shall be applicable to proceedings for the issuance of bonds and the making of an emergency loan under IC 20-5-1 through IC 20-5-6.

(b) No action to contest the validity of such bonds or emergency loans shall be brought later than five (5) days after the acceptance of a bid for the sale thereof.

SECTION 9. IC 21-2-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The loan provided in section 4 of this chapter shall be initiated by a resolution of the governing body of the school corporation in an amount which, together with the outstanding obligations of the school corporation, shall not exceed its maximum permissible debt under the Indiana constitution. Such resolution shall not be effective until it is approved by the state board upon petition of the governing body of the school corporation.

(b) The provisions of all general laws relating to the filing of petitions requesting issuance of bonds or other evidences of indebtedness (herein referred to as "the loan") and giving of notice of determination to issue bonds, the approval of the appropriation by the department of local government finance, and the right of taxpayers to remonstrate **or vote in a local public question** on the issuance or sale of the loan as provided under IC 6-1.1-20 shall not be applicable or shall not be a prerequisite to the validity of such loan, unless the obligation is a lease or lease purchase agreement described in IC 6-1.1-20.

(c) After the petition has been approved by the state board, the loan may be effected either by a loan from a financial institution evidenced by notes or by the issuance of bonds. The loan or the issuance of bonds shall be made only by public bidding after notice, in accordance with IC 5-1-11. The loan or bonds shall be sold at par and bear interest as determined by the bidding. Any bonds issued shall, except as otherwise provided in this section, be governed by IC 20-5-4. Any such bonds or loan may be secured by a pledge of the supplemental school operating

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1 reserve fund and the tax levy for such fund, or any unobligated part  
 2 thereof and shall be further secured as debt service obligations as  
 3 provided in IC 20-5-4-10(2).

4 SECTION 10. IC 21-5-9-2 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A lessor  
 6 corporation qualified or formed to acquire a site, erect a school  
 7 building thereon, and lease it to a school corporation under either  
 8 IC 21-5-11 or IC 21-5-12 may also be qualified or formed to, and may,  
 9 acquire, improve, or expand existing school buildings, may finance the  
 10 existing or improved school buildings, and may lease them to a school  
 11 corporation under the applicable law.

12 (b) A lessor corporation may also acquire and finance an existing  
 13 school building, other than as provided in subsection (a), and lease it  
 14 to a school corporation. A school corporation shall comply in all  
 15 respects with all statutory requirements of IC 21-5-11 or IC 21-5-12  
 16 and ~~the petition and remonstrance provisions under of~~ IC 6-1.1-20. A  
 17 lease made under this subsection may provide for the payment of lease  
 18 rentals by the school corporation for the use of the existing school  
 19 building. Lease rental payments made under the lease do not constitute  
 20 a debt of the school corporation for purposes of the Constitution of the  
 21 State of Indiana. A new school building may be substituted for the  
 22 existing school building under the lease if the substitution was included  
 23 in the notices given under IC 21-5-11, IC 21-5-12, and IC 6-1.1-20. A  
 24 new school building shall be substituted for the existing school  
 25 building upon completion. A school corporation may not pay a legal or  
 26 other professional fee as the result of an exchange or a substitution  
 27 under this section.

28 (c) "Existing school building" includes any school building (as  
 29 defined under IC 21-5-11 or IC 21-5-12) and any building that after  
 30 acquisition will be used as a school building (as defined in IC 21-5-11  
 31 or IC 21-5-12) and may include more than one (1) building but shall  
 32 not include a portable or relocatable building or classroom.

33 (d) "Improved school building" means an existing school building  
 34 as improved, renovated, remodeled, or expanded by a lessor  
 35 corporation.

36 SECTION 11. [EFFECTIVE JULY 1, 2005] **IC 6-1.1-20-3.5 and**  
 37 **IC 6-1.1-20-3.6, both as added by this act, apply to a school**  
 38 **corporation's preliminary determination to issue bonds or enter**  
 39 **into a lease rental occurring after June 30, 2005.**

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